GOVERNMENT OF INDIA
PLANNING
LOK SABHA

UNSTARRED QUESTION NO:3681
ANSWERED ON:07.08.2002
DECLINE IN GROWTH RATE
IQBAL AHMED SARADGI

Will the Minister of PLANNING be pleased to state:

(a) Whether the growth performance of the economy has decelerated sharply during he Ninth Plan Period to a trend annual growth rate of 5.4 per cent from 6.7 per cent recorded during the Eighth Plan period;

(b) If so, whether an analysis of growth performance in terms of the standard macroeconomic equation that links investments and growth indicates that the deceleration in the Ninth Plan is mainly on account of a lower efficiency in resource use; and

(c) If so, the steps being taken to ensure that the resources utilisation does not fall during the Tenth Plan period?

Answer

THE MINISTER OF STATE OF THE MINISTRY OF SMALL SCALE INDUSTRIES, MINISTER OF STATE IN THE MINISTRY O PERSONNEL, PUBLIC GRIEVANCES & PENSIONS, MINISTER OF STATE IN THE MINISTRY OF PLANNING & MINISTE STATE IN THE DEPARTMENTS OF ATOMIC ENERGY AND SPACE (SHRIMATI VASUNDHARA RAJE)

(a): Based on the information available from the latest Quick Estimates released by the CentralStatistical Organisation, the average growth rate of the economy (GDP at factor cost at 1993-94 prices) during the Ninth Five Year Plan was 5.34 per cent per annum. The growth rate of the economy during the Eighth Five Year Plan was 6.69 per cent per annum.

(b):The analysis of growth performance in terms of standard macroeconomic equation indicates that the deceleration in the Ninth Plan is mainly on account of deficiency of demand. However, lower efficiency in the resource use could also have contributed to the lower growth.

(c): The Tenth Five Year Plan is under formulation.